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level progressively higher for progressively higher frequencies, and quantizing the components of each band with a number of bits corresponding to a difference in level between the energy of each frequency band and the preset allowable noise level, including adjusting the number of bits allocated upon quantizing according to the allowable noise level.

REMARKS

Claims 4-8 remain in the application with claim 8 having been amended hereby.

Reconsideration is respectfully requested of the objection to claim 8, as containing informalities. The instance noted by the examiner in claim 8 has been corrected hereby.

Reconsideration is respectfully requested of the rejection of the claims under the judicially created doctrine of obviousness-type double patenting as being unpatentable over U.S. Patent 5,640,458 in view of U.S. Patent 5,056,145.

Submitted herewith is a Terminal Disclaimer terminally disclaiming the portion of any patent granted on the instant application that would extend beyond the term of U.S. Patent 5,640,458. Also submitted is the fee for this Terminal Disclaimer.

Accordingly, in view of the Terminal Disclaimer, it is respectfully submitted that the present application is now in condition for Allowance.

The references cited as of interest have been reviewed and

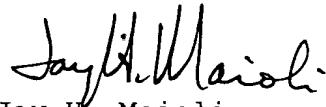
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are not seen to show or suggest the present invention as recited in the claims.

Favorable reconsideration is earnestly solicited.

Respectfully submitted,

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VERSION WITH MARKINGS TO SHOW CHANGES MADE
IN THE CLAIMS

Please amend claim 8 by rewriting same to read as follows.

--8. (Amended) A method for reproducing audio signals using a portable apparatus comprising the steps of:

 storing digitized and high-efficiency compression encoded audio data in a user removable semiconductor memory;

 reading out data stored in the semiconductor memory and decoding the read-out data by performing an operation that is an inversion of the compression encoding;

 converting digital data output from the decoder into analog signals;

 receiving the analog signals from the digital/analog converter and converting the analog signals from the digital/analog converter using an earphone unit into acoustic sounds for listening by the user; and

 containing the semiconductor memory, the decoder the digital/analog converter, and the earphone unit in a lightweight housing adapted for placement on a user's head, and wherein the operation of compression encoding comprises the steps of dividing input digital signals into a plurality of frequency bands such that bandwidths of the bands are broader for progressively higher frequency bands and each frequency band has a corresponds energy level, setting an allowable noise level on a band-by-band basis in accordance with the energy level of each frequency band, including setting the allowable noise level for a given energy level progressively higher for progressively higher frequencies, and quantizing the components of each band with a number of [this] bits corresponding to a difference in level between the energy of each frequency band and the preset allowable noise level, including adjusting the number of bits allocated upon quantizing according to the allowable noise level.